



EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

July 9, 2008

The Honorable Colleen Hanabusa, President
and Members of the Senate
Twenty-Fourth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

Re: Senate Bill No. 2365 SD1 HD1 CD1

On July 8, 2008, Senate Bill No. 2365, entitled "A Bill for an Act Relating to Transportation" became law without my signature, pursuant to Section 16 of Article III of the State Constitution.

The purpose of this bill is to extend the existing \$3 per day surcharge on rental vehicles until 2011 as a revenue source for the State Highway Fund. This bill would also impose, starting September 1, 2008, an additional \$1 daily surcharge on all u-drive rentals to finance the planning, design, and construction of consolidated rental car facilities at our state airports.

The facilities being considered are similar to consolidated rental car structures built at airports on the mainland. They provide a single location for travelers to rent a car of their choice and eliminate the need for multiple pick-up and delivery vans from individual rental car companies. As such, this bill has merit.

This Administration remains concerned about the fiscal impact of levying an additional charge on rental cars, a burden that will fall heaviest on the visitor industry. The fee would cost an additional \$16 million per year and comes at a time when the State is trying to encourage and support visitors arrivals, not make it more costly to visit Hawaii. As such, the imposition of this fee runs counter to other public policies supported by the Hawaii Tourism Authority and the visitor industry.

For the foregoing reasons, I allowed Senate Bill No. 2365 to become law as Act 226, effective July 8, 2008, without my signature.

Sincerely,

LINDA LINGLE